

# **Exhibit 291**

## Symbol of cooperation

FOR MANY YEARS the ownership of the Blue Cross insignia and the words "Blue Cross" themselves have been nebulous. Early in the history of the Blue Cross movement, there was no provision for national registration of such symbols and identifying phrases. Some states did have such provisions, however, and the American Hospital Association urged plans to register the Blue Cross insignia locally wherever possible.

With the passage of federal legislation permitting national registration, the Association promptly moved toward broadened protection by applying for such national registration and ownership.

Patent laws require that authority for control of the use of a trade or service mark be vested in a single agency, and that brought about the proposal that the Association license nonprofit hospital prepayment plans as a condition of future use of the Blue Cross mark.

Because of prior state registration by individual plans, previous use of the symbol outside a licensing procedure, and a greater appreciation of the value of the Blue Cross symbol through the years, some plans have hesitated to vest such control and authority in the Association. These objectors hotly debated the issues at the 1951 conference of Blue Cross plans. But they argued method, not principle. They expressed their desire and agreed to the need for national protection. A committee representing all points of view was appointed to work out an arrangement that would accomplish national protection and at the same time safeguard individual plan interests.

At their conference in Los Angeles last month, the Blue Cross plans agreed unanimously to this committee's proposal that the Association be appointed as trustee to hold all rights for the use of the Blue Cross identification symbols and phrases and to administer a licensure program limiting the use of these marks and phrases to those plans which meet basic operating standards.

It is significant that plans again have demonstrated a willingness to submerge individual privilege in the interest of greater national unity and strength. The vote by the conference of plans now must be translated into signatures on the Blue Cross licensure agreement. Prompt and unanimous approval will provide unqualified evidence of good faith and united purpose by plans.

Hospitals individually have responsibility to work constructively with their local Blue Cross plans toward their national goals. Hospitals collectively face a challenge to match the objectivity of the plans, as demonstrated by their expressed intent to place individual local rights to the Blue Cross insignia in a national trusteeship.

Constructive, forthright national administration

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Aim of the American Hospital Association: To promote the public welfare through the development of better hospital care for all the people.

of the proposed licensure program by the Association, made possible by the backing and assistance of individual hospitals, will demonstrate the wisdom of this keystone development of Blue Cross national planning.

## It's not inflation alone

GREAT AND WIDESPREAD concern exists among hospitals on the problem of costs. This concern is not only with sound and efficient operation but also with public reaction and acceptance of the seemingly "high cost of hospital care." If hospital care were not such a vitally important part of community welfare, two simple alternatives might be considered by hospital governing boards—reduction of service or curtailment of quality. The American public in general and the sick patient in particular can be thankful that such expediency receives little consideration by those responsible for operating hospitals.

Accurately informing the public what it gets for its hospital dollar presents one of the most complex public relations problems that face hospitals today. Good hospital care, like any quality product or service, costs money and has to be paid for. The public is well aware of increased costs which are caused by higher taxes and inflation. But by no means all of present-day hospital costs are the result of inflation.

A large portion of today's hospital expenditure is directly related to the tremendous changes in hospital care that have come about since the late 1930's. The shortened stay, early ambulation, new and improved techniques, more and better treatments; added services, more highly skilled personnel, and record-breaking numbers of admissions are the major factors that contribute to the increased cost of care. Surprisingly, there is still a great lack of understanding that hospitals have an average of two employees per patient, that the personnel and facilities of the hospital must be in readiness to admit patients at all times of the day and night, that much costly equipment is frequently made obsolete by new advances in medical science, that allowances for "errors" cannot be tolerated, that the major function of the hospital is to take care of the sick and injured. To help prolong life and to ease and reduce pain and suffer-